5/9/88 C0175-1 A

American Banker

The Daily Financial Services Newsp

VOL. CLIII NO. 90 Monday, May 9, 1988

155389000015 2/ 5/07 C11
STATISTICAL REFERENCE INDEX
JOHN P KENNEDY
4520 EAST - WEST HIGHWAY
SITE 800
BETHESDA MD 20814

Today

Irving Bank Corp. and the Bank of New York Co. each expressed optimism that it had won a proxy fight to control Irving's board. Official results will be disclosed May 24. — 2

Ads by the Bank of New York were termed insulting and "nearly xenophobic" by Italian bankers. The print ads were designed to tap a nationalistic vein and promote Bank of New York's bid for Irving over the one by Banca Commerciale Italiana. — 2

Citicorp is selling its domestic investment management company to USF&G Financial Services Corp., Baltimore, for an impressive $102.5 million. — 3

The ABA has reached an agreement on legislative proposals with the National Association of Realtors. Real estate brokerage and investment activities should be conducted through a bank holding company subsidiary, the two groups concluded. — 3

Manufacturers Hanover Trust Co. has struck a deal with Trintex to provide banks and thrifts with software and processing for Prodigy home banking. — 3

The fire-ravaged headquarters of First Interstate Bancorp remains off limits to all 2,000 employees, but the bank company appears to be operating as if disaster never struck. — 3

Advest Group Inc., Hartford, Conn., said it will acquire Lyons, Zomback & Ostrowski, a bank consulting firm in New York. — 12

Index to Week's Stories — 6
Memory Bank — 14

COMMENT

A lack of enthusiasm among bank employees can generally be traced to out-of-touch, inflexible management, writes Dr. Paul S. Nadler. — 4

The decline in the U.S. dollar indicates American living standards are due to slip in relation to Europe and Japan, writes H. Erich Heinemann. — 4

NEWS MONDAY

Shareholders have the right to demand the extinction of banks they own as evicenced by the Bank of New York-Irving Bank Corp. takeover war. But such situations pose problems — for employees who have staked their futures on the company's continued existence and customers who depend on its services. — 7

Political action committees have become standard operating procedure in Washington. Financial lobbyists say the "best" PAC belongs to Barnett Banks of Florida. — 10

Worth Repeating

We are not in the business of acquiring. We are not in the business of merging. We are in the business of improving the performance of Bank of America.

A.W. "Tom" Clausen, chairman of BankAmerica Corp. [Page 1]

As Election Nears, PACs Shift to High Gear

By ROBERT M. GARSSON
Washington Bureau

WASHINGTON — John Porter, president and chief operating officer of Delaware Trust Co., Wilmington, figures on going into the 1988 elections with a bankroll well in excess of $1 million.

"We raised $645,000 last year, and we should take in another $765,000 this year," he said. "That comes to about a million four, doesn't it?"

Mr. Porter isn't a candidate or even a campaign manager. But he heads one of the big league political action committees that fund a major share of the American political process.

With the 1988 general election only six months away, the American Bankers Association's BankPac, which Mr. Porter oversees, is roaring along in high gear. It has been disbursing money here and there over the past 15 months, much of it in denominations of $250 or $500 for the fund-raisers held here — morning, noon, and night — almost every day Congress is in town.

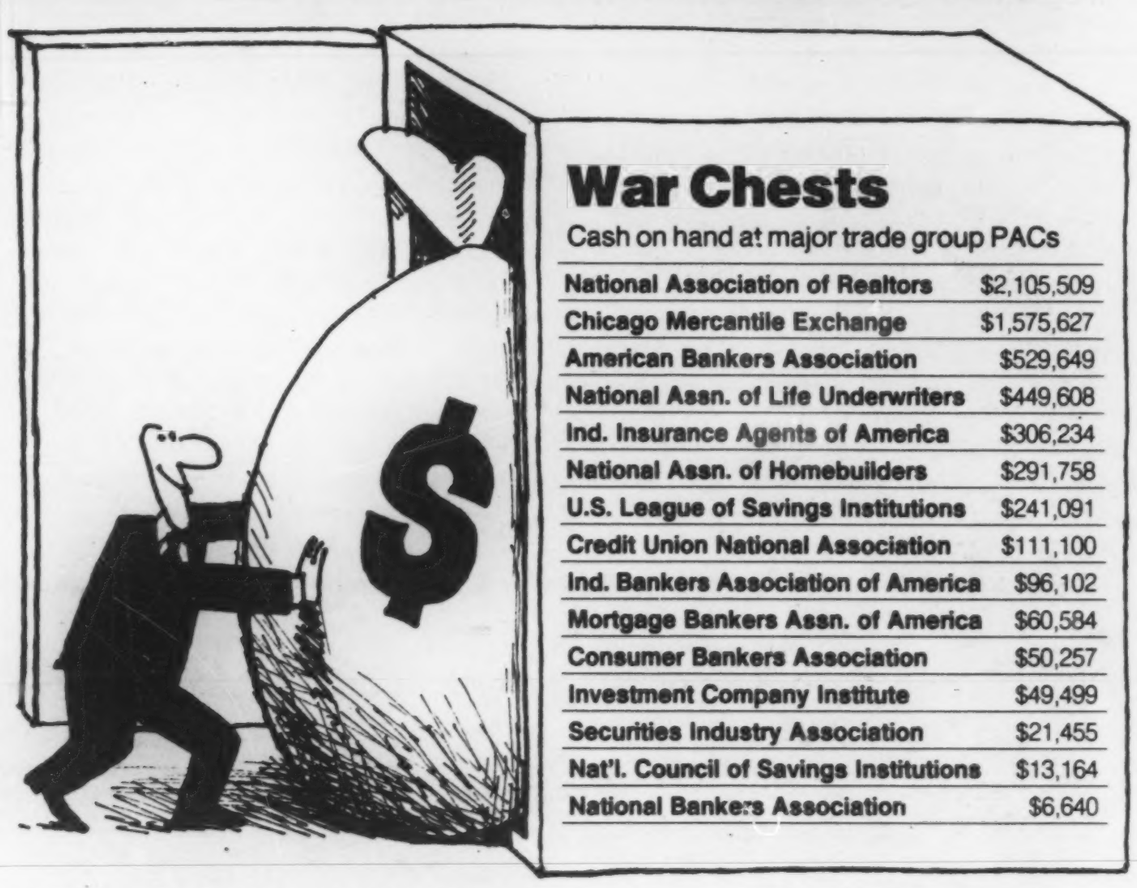
AN American Banker SPECIAL REPORT

Come August, though, BankPac's directors will meet to decide on a final distribution of the fund, and then some real money will roll out. On the Senate side, the ABA will "max out" — give the full $10,000 permitted in an election cycle for the primary and general election — for those it favors.

"In the House, we obviously can't do that," said Mr. Porter, given the larger number of elected officials. "So we concentrate on five committees: Banking, Agriculture, Energy and Commerce, Rules, and Ways and Means."

In the view of Common Cause, the self-styled "citizens lobby," BankPac and its counterparts are working steadily to undermine the foundations of representative government.

PACs: Page 11 ➡



War Chests

Cash on hand at major trade group PACs

National Association of Realtors	$2,105,509
Chicago Mercantile Exchange	$1,575,627
American Bankers Association	$529,649
National Assn. of Life Underwriters	$449,608
Ind. Insurance Agents of America	$306,234
National Assn. of Homebuilders	$291,758
U.S. League of Savings Institutions	$241,091
Credit Union National Association	$111,100
Ind. Bankers Association of America	$96,102
Mortgage Bankers Assn. of America	$60,584
Consumer Bankers Association	$50,257
Investment Company Institute	$49,499
Securities Industry Association	$21,455
Nat'l. Council of Savings Institutions	$13,164
National Bankers Association	$6,640

All reports are for period ending March 31, 1988, except National Association of Life Underwriters, which is for period ending Feb. 29, 1988, and National Council of Savings Institutions, which is for period ending Dec. 31, 1987.
Source: Federal Election Commission.

Interview

BankAmerica's Clausen Shoots For $1 Billion Earnings by 1990

By MICHAEL A. ROBINSON
West Coast Bureau

SAN FRANCISCO — BankAmerica Corp. — despite seven straight years of declining earnings and the deep stain of red ink — hopes to earn more than $1 billion on a pretax basis in 1990, company chairman A.W. "Tom" Clausen declared.

In a little less than three years, he said, he wants the company to exceed its performance of 1980, when the holding company's Bank of America was the world's largest and most profitable bank. Pretax earnings in 1980 were $1.02 billion, before the effects of securities transactions.

"My goal is, with a smaller balance sheet, 10 years after, to beat our best year ever," Mr. Clausen said in a 35-minute interview with the *American*

Clausen: Page 15 ➡

United Banks of Colorado, Inc.

A GENERATION AHEAD IN BRANCH AUTOMATION.

FINANCIAL TOWER SYSTEM 2™

We proudly welcome United Banks of Colorado to our open systems approach to branch automation. To find out how we can help you move a generation ahead, phone 1-800-CALL NCR.

NCR

Financial Tower System 2 is a trademark of NCR Corporation.

© 1987 NCR Corporation.

Asset-Backed Securities

For Trustee Services
call Clark M. Whitcomb, V.P.
Corporate Trust
(617) 434-7480

BANK OF BOSTON

Put our strength to work for you.

© 1988 The First National Bank of Boston

May 9, 1988, American Banker

Management Sets the Tone for Service

By DR. PAUL S. NADLER

IT was quite a contrast! I had listened to Stew Leonard, the fabulous owner of Stew Leonard's, a grocery store in Norwalk, Conn., as he told bankers at a Total System Services User conference how he keeps his employees happy.

Mr. Leonard was written up in "A Passion for Excellence" by Tom Peters as one of America's great managers, and his talk explained why.

- He listens to employees' complaints and suggestions personally.
- He stresses every achievement in his monthly magazine for employees (which must have, by his demand, at least 10 pictures per page so employees in his single store get their faces in the magazine frequently.)
- He lets people know what is expected of them and what is expected of the store. (Mr. Leonard tells of the meat manager who personally delivered a new fresh turkey to a customer when she complained that the other one was a little frozen.)

Dr. Nadler is professor of finance at Rutgers University's Graduate School of Management and is contributing editor of the *American Banker*.

American Banker
The Daily Financial Services Newspaper
Established 1836
One State Street Plaza, New York, N.Y. 10004
(212) 943-6700

Editor: William E. Zimmerman
Managing Editor: Brian P. Sullivan
News Editor: Thomas J. Ferris
Associate Editors: Laura Gross, Sanford Rose, David O. Tyson

NEWS BUREAUS:
Washington: Chief, Robert Trigaux, 911 National Press Building, Washington, DC 20045; (202) 347-5529; Telecopier: (202) 628-6522.
Midwest: Chief, Richard Ringer, 53 W. Jackson Blvd., Suite 230, Chicago, Il 60604; (312) 663-6380; Telecopier: (312) 939-4925.
West Coast: Chief, Robert Luke, Suite 320, 510 W. Sixth St., Los Angeles, CA 90014; (213) 627-0953; Telecopier: (213) 627-8310.
San Francisco: Chief, Michael A. Robinson, 450 Sansome Street, Suite 1420, San Francisco, CA 94111; (415) 986-8705; Telecopier: (415) 398-4156.
Southwest: Chief, David LaGesse, Suite 1600, 8080 North Central Expressway, Dallas, TX 75206; (214) 891-8878; Telecopier: (214) 696-0050.
New England: Chief, Michael Weinstein, 210 South St., Boston, MA 02111; (617) 542-6848; Telecopier: (617) 542-2221.
London: Chief, John J. Duffy, American Banker, c/o Infopac S.A., 31-35 Beak St., London W1R 3LD England; (011) (441) 439-3066; Telecopier: (011) (441) 734-5153.

Feature Editions Editor: Patricia Stundza
Chief Statistician: L. Michael Cacace
Senior Editor, Copy Desk: Aileen L. Kyte
Art Director: Pamela Budz
Contributing Editor: Paul S. Nadler

President: George W. Landgrebe
Executive Vice Presidents:
Publishing - Edmund C. Burke
Information Products - Robert S. November
Administration - Con A. Rusling
Vice Presidents:
Production Services - Neil Fitzgerald
Advertising - Edward C. Frey
Circulation - James E. McSurely

Advertising:
New York: (212) 943-4259
Chicago: (312) 663-6390
San Francisco: (415) 421-7950
Los Angeles: (213) 382-6346
Charlotte: (704) 522-7181
Classified: (800) 221-1809
International: (212) 943-4250
Telex: 421768 ABKR

Subscription Rates: U.S. $525.00, Canada $775.00.
Canada Air Mail and Foreign $1090.00. Single copy $3.45
©1988 by American Banker • Bond Buyer, a division of International Thomson Publishing Corporation. All rights reserved.
"American Banker" is a registered trademark of American Banker • Bond Buyer. Registered in U.S. Patent and Trademark Office.
Published daily except Saturday, Sunday and holidays.
Second Class Postage Paid at New York, N.Y. and at additional mailing offices in U.S.A. (ISSN No. 0002-7561)
Postmaster: Send address changes to American Banker, 1 State Street Plaza, New York, N.Y. 10004

For subscription orders and inquiries call:
Outside New York - (800) 221-1809
In New York - (212) 943-9589 Collect.

Wires: WU Telex 882385 Answer Back: AmerBank NYK. WUI 62594 AMERBANKER
Cable Address: AMERBANKER New York.
Telecopier: (212) 943-2222

Everyone in the audience left Mr. Leonard's talk feeling that he deserves his reputation and that it would be fun to work for his store.

But then I sat and talked with the head of operations at a major Southern bank. His story was quite different.

Nadler Says:

Enthusiam makes or breaks a bank. You can tell immediately if you have a happy shop or a dull one.

"We have no enthusiasm," he said. "We just hang in there because we need the job. And the reason is that everything is too rigid and we think top management doesn't give a damn about us.

"Nobody ever sees the key people in the bank," he said. "We have the feeling they don't even know where the operations department is, even though we are pretty damn efficient and complaints are few."

How to Dampen Staff Spirits

Specifically, this operations head, who has been with the bank for many years, lists policies that kill employee enthusiasm:

- "We have people who have done their job and done it well for years. They are the backbone of the bank, but they are at the top of the salary range as the bank has structured it. So they sit year after year, getting no raises at all except cost-of-living adjustments, while they see less-qualified people get raises because the table of organization says that there is room for them to be rewarded."
- "We have job postings. So we train people and take the time and effort to bring them up to standard, only to find that they leave us as soon as they are trained because another job that is posted in the bank pays more than we are allowed to pay them. So instead of benefiting from their training, we have to start all over with new people, because we have no salary flexibility and the other department has a higher pay range available."
- "Even with regard to outside help, we are locked in by policies we can't control. We wanted to use one service provider for our credit card operation. But we were told we had to use another one that was much less efficient and more expensive, because the bank got large balances from the latter organization.

"But once we signed a long-term contract, the service company pulled its balances, and they held us to the contract anyway. So here we are with a system everyone knows is expensive and causing trouble, no way to correct it, and no benefit coming to the bank from the customer in any other way, either."

As I heard these complaints from a banker who obviously was trying to do a good job, all I could think of was the old adage, "When a fish starts smelling, it starts from the head." Top management caused these problems at the operations officer's bank, and the unhappiness filters down to the employees, who, in turn, make the customers feel less than wanted.

And as Stew Leonard pointed out in his remarks, "What bothers us is that people who are unhappy walk away without saying a word, so we can't do anything about the loss. And it is five times easier to keep an old customer than to win a new one."

Mr. Leonard points out that each customer can be worth a fortune to the store. For if a customer spends $100 a week, that's $5,000 a year and $50,000 a decade! No wonder Stew Leonard's has a policy that the customer is always right — and he means always.

He gave the example of a lady who complained that the casaba melon she bought the day before was rotten, and the store refunded her money even though they had not stocked or sold a casaba melon for months. Why risk a $50,000 account for one melon?

Happy Employees Mean Happy Clients

As another example, he said that the store people just watch as customers nibble strawberries, nuts, and other bulk items in excessive quantities (although one manager jokingly suggested that they give up the price tags and just weigh the customers in and out of the store, charging per pound gained.)

Evidently the Southern bank never learned this lesson — that a good, flexible personnel policy can keep employees happy, and this can, in turn, keep customers happy.

Enthusiasm makes or breaks a bank. You can tell immediately if you have a happy shop or a dull one. One way I have always had of testing this is to ask my host when I speak if it is all right to kid the chief executive officer.

When he says yes and the staff roars as I kid the chairman, I know it is a happy bank. If my advice is wrong, and they gasp when I use a joke on the CEO, I know there is trouble. My best example is the time I was told by the officer who hired me: "Don't even mention the CEO's name in your talk." The bank went down the tubes within the next two years — possibly because of this same feeling of distance between the staff and the top people.

The sad point is that to the typical customer, the bank is its local people. A branch manager seems like the top officer to the typical customer. No one has ever heard of the people in the head office.

So if the head office makes these contact people feel that they are the bank, and their decisions do make it or break it, this can do far more good for the organization than almost any decisions made in the rarified atmosphere of the executive floor. ■

Something to Say? We Want to Hear

The *American Banker* welcomes letters, comments, and observations from you, our readers, on issues that interest and are important to you.

Please direct them to the editor, William Zimmerman, American Banker, One State Street Plaza, New York, N.Y. 10004, and please include a daytime telephone number. Letters may be edited for space and clarity.

Remember, we need your views to be a true community newspaper.

OVERVIEW

Stroll on Pall Mall Can Be Humbling For New Yorker

By H. ERICH HEINEMANN

LONDON

A VISIT to London is a humbling experience for an American these days — especially for someone from New York. The roads here are not full of potholes. Homeless derelicts are an exception on the London streets, not a rule.

The bridges across the Thames, unlike those across the East River, are not collapsing from decades of neglect. The subways work; they are gaining passengers, not losing them.

The fruits of sustained economic expansion and prosperity are everywhere in London, as in New York. The major uncertainty is whether the boom will be sustainable. Governments in Japan and Europe have driven their economies at top speed, in part to accommodate their huge imbalance in trade with the United States.

Looming in the background is a sense of foreboding that inflationary pressures may lurk not far from the surface. When — if — inflation resurfaces, this could set in motion a chain reaction that would end the longest period of growth in peacetime since World War II.

The dollar, quite plainly, will hold the key. The rule of thumb is that prices in London are roughly the same as in New York, except that they are expressed in sterling. The ordinary tourist has to pay about $2 to buy one pound, which makes the exchange rate easy to calculate.

Just multiply everything by two. That is as clear evidence as you are likely to get of the decline in America's relative purchasing power (and, in time, living standards), as well as a measure of the competitive edge that U.S. industry will likely have in world markets in years to come.

It would be all too easy to dismiss the current exchange rate as simply reflecting an overvalued pound, a warning to the British government of a potential loss of competitive position, of falling exports and then ultimately another painful currency crisis. There is some truth in that analysis. Prime Minister Margaret Thatcher has to watch out, lest she fall into a trap that has brought down many British governments in the past.

Yet in a broader context that is only part of the story. The United States is in the preliminary stage of a basic transformation in its role in the world economy: from importer to exporter, from creditor to debtor, from leader to follower. A significant decline in the real purchasing power of the dollar — and increase in the real value of the yen, deutsche mark and pound — is certain to play a major role in that transformation. Americans had best understand that their real living standards will slip, particularly so in relation to Europe and Japan.

The National Business Economic Issues Council, an organization of U.S. business economists, debated the prospect for the dollar, plus lots more, at a meeting here last week. The council has long had overseas members, but for the first time the group went abroad to discuss prospects for the world economy with counterparts from Europe and Japan. As U.S. business turns outward to exploit the export opportunities that the falling dollar will bring, meetings of this sort will become more and more routine.

To get down to the nitty-gritty, the outlook for business in the main industrial nations in 1988 is excellent. Japan is enjoying a full-fledged economic boom. Industrial production is running

Overview: Page 12 ▶

Who's Getting the Most From PACs?

Senate Banking Committee	PACs[1]	Total Receipts[2]
James Sasser, D-Tenn.	$821,631	$1,934,780
Donald Riegle, D-Mich	$729,784	$2,030,153
John Heinz, R-Pa.	$504,859	$2,067,008
Chic Hecht, R-Nev.	$487,150	$1,349,634
Paul Sarbanes, D-Md.	$327,599	$800,217
House Banking Committee		
Nancy Pelosi, D-Calif.	$312,265	$1,356,315
Mary Rose Oakar, D-Ohio	$257,625	$467,906
Tom McMillen, D-Md.	$221,743	$389,472
Fernand J. St Germain, D-R.I.	$198,206	N/A[3]
Joseph DioGuardi, R-N.Y.	$175,650	$800,748

[1]Contributions principally from PACs but also includes money contributed by other candidates' committees.
[2]Includes fund-raising totals during first 15 months of the election cycle, Jan. 1, 1987 through March 31, 1988.
[3]Less than $328,000.

Source: Federal Election Commission.

PACs Shifting into High Gear

Continued from Page 1

"What they are getting is access, the opportunity to make their case," says Common Cause vice president Randy Huwa of the PACs. "The most precious commodity a member of Congress has is time. It's difficult for the average citizen to get the eye or the ear of a member."

PAC money, he adds, sharpens the "laser-like focus" of the special interest groups, speeding the move toward single-issue politics, a trend Common Cause views as decidedly unhealthy.

Mr. Porter disagrees. "I believe in the PAC process," he responds. "There are limits, but basically it gives everybody a chance to make a meaningful contribution."

Healthy or not, PACs are likely to be around for a while. Senate Majority Leader Robert C. Byrd, D-W.Va., struggled mightily this year and last in an ultimately unsuccessful effort to force a vote on legislation that would have established a system of public financing for Senate races. That bill is moribund, and the House is not considering similar legislation.

THE financial services industry has bred literally hundreds of PACs. The major trade groups all have their own funds, as do the major banks, securities firms, insurance companies, and others.

The granddaddy of them all however, is RealPac, the political action committee of the National Association of Realtors. The ABA's $1.4 million makes the trade association a serious player, but that sum pales alongside the $6.5 million the Realtors expect to spend this year on political campaigns.

One staffer connected with the trade group's PAC said the Realtors will contribute to about 300 races this year. Most of that money will go to incumbents, but in about 10% of the races the trade group will support challengers, said the spokesman.

The Realtors' deep pockets give it a distinct advantage over the ABA. Where BankPac is forced to target key committee chairman and members of a limited number of panels, the Realtors can literally cover the floor in both bodies — contribute to enough members to assure that a working majority in each chamber has benefited from RealPac.

Still, bank industry PACs are not exactly impoverished. Records on file at the Federal Elections Commission show that the top 10 banking concerns have already spent nearly $1 million through their own committees. The Independent Bankers Association of America will spend nearly $200,000, and the Consumer Bankers Association will add money as well.

What the PAC figures don't account for, however, is campaign contributions from individuals. The Securities Industry Association PAC, for example, is relatively small; so far it has contributed only $62,383, according to Election Commission records.

But individuals in the securities industry ante up in political contests too, as do individuals in the insurance and real estate industries.

The Independent Insurance Agents of America, for example, sponsors fund-raisers at their offices as often as several times a week when Congress is in town, according to Robert Rusbuldt, the organization's chief Capitol Hill lobbyist.

Individual agents invited to the fund-raiser pay $250 or $300 to attend and, in return, get a lunch or breakfast and an opportunity to ask a few questions. The fund-raisers generate anywhere from $7,000 to $20,000, "depending upon who the member is, what committees he serves on, and how senior he is," Mr. Rusbuldt said.

Individual contributions do not go unnoticed, and Delaware Trust Co.'s Mr. Porter, for one, wishes individuals in his industry would emulate the investment bankers.

"You have to recognize that the people in the securities, insurance, and real estate industries are quite dependent upon performance-oriented compensation," he said. Individuals are encouraged to be entrepreneurial and to spend their own money.

"We have more of a corporate culture," he added, suggesting that bankers are more likely to participate in company-sponsored activities than in initiatives of their own.

In deciding who receives money, PACs use similar criteria. Almost all try to reward their friends and punish their enemies, though the ABA, among others, has in the past taken the view that "tribute money" should also be paid to one's enemies, if they are important enough.

"We look at need — how tight their race is," added Joseph Belew, president of the Consumer Bankers Association. That theory, widely shared, argues that if funds are limited, a PAC should use its resources to keep friends in Congress, rather than to pad the treasuries of sure-thing campaigns.

Small trade groups must also aim carefully, choosing strategic committees and races they can win.

"With a small PAC, we look at the banking and the agriculture committees, with banking coming first," said Kenneth Guenther, executive vice president of the Independent Bankers Association of America, which represents small banks.

Mr. Guenther adds that the IBAA "rarely goes the challenger route," a sensible reaction to easily verifiable fact that incumbents rarely lose.

Some PACs hedge by giving to both sides. In the Republican primary, for example, the National Association of Home Builders gave $5,000 each to the campaigns of George Bush, Robert Dole, Alexander Haig, and Jack Kemp. On the Democratic side, Richard Gephardt and Paul Simon both received $5,000 as well.

EVEN organizations that play only one side of the fence during the campaign ante up with post-election "debt-retirement contributions" for the winner if they back a loser during the campaign.

From the Senate Banking Committee, James Sasser, D-Tenn., has received the most in PAC funds this election cycle with $821,631. Donald Riegle, D-Mich. — who's likely to become next year's committee chairman — follows closely with $729,784. His total campaign receipts, including PAC and individual contributions, was $2,030,153 as of March 31.

In general, seniority — which ordinarily implies power — is rewarded in the PAC game. On the House Banking Committee, however, a number of freshman Democrats have done exceedingly well in this election cycle, even though first-term House members are virtually powerless.

Two freshman Democrats — Tom McMillen of Maryland and Nancy Pelosi of California — show up among the top 10 recipients of PAC contributions in this election cycle. Ms. Pelosi, in fact, was first.

In each case, there are individual reasons: Mr. McMillen's fame as a National Basketball Association star, and Ms. Pelosi's former involvement as a key Democratic party fund-raiser from a large and rich state, are among the considerations.

Rep. Nancy Pelosi

But one congressional staffer who works for a banking committee member that has been a heavy beneficiary of PAC contributions offered a more cynical explanation: "There's a banking bill under consideration."

In other words, with Congress engaged in the consideration of legislation that could reshape the financial services industry for years to come, it's hard to say no when invitation to a banking committee member's fund-raiser arrives.

And players in the PAC game have very little doubt that members take note of who gives and who doesn't.

Mr. Guenther, for example, recalls a particular member of Congress who is widely regarded as influential on banking issues.

"If he has a fund-raiser and we don't attend, he comments on it," said Mr. Guenther, who asked that the member's name not be printed. "He'll come up to me and say, you weren't there."

Suffice it to say, the Independent Bankers rarely miss one of his fund-raisers. ■

How Major Financial PACs Are Spending Their Money

Organization	Funds To Democrats (No. of Recipients)	Funds To Republicans (No. of Recipients)	Total
ABA BankPac	$201,500 (113)	$114,950 (59)	$316,450
Independent Bankers Association	$64,320 (87)	$26,000 (39)	$91,220
Consumer Bankers Association	$9,575 (20)	$5,300 (11)	$14,875
National Bankers Association	$3,100 (9)	$1,875 (6)	$4,975
New York State Bankers Association	$6,700 (5)	$1,600 (2)	$8,300
Securities Industry Association	$42,283 (54)	$20,100 (27)	$62,383
Investment Company Institute	$74,100 (47)	$13,100 (9)	$87,200
Chicago Mercantile Exchange	$148,900 (75)	$77,750 (51)	$226,650
Independent Insurance Agents	$148,192 (113)	$80,327 (113)	$228,519
National Assoc. of Life Underwriters	$272,900 (136)	$198,606 (139)	$471,506
American Council of Life Insurance	$95,490 (120)	$76,454 (95)	$171,944
National Association of Realtors	$382,196 (197)	$300,406 (152)	$682,602
U.S. League of Savings Institutions	$166,000 (106)	$86,250 (71)	$252,250
National Council of Savings Institutions	$36,700 (54)	$32,669 (54)	$69,369
Credit Union National Association	$185,025 (113)	$66,600 (62)	$251,625
National Association of Homebuilders	$323,186 (179)	$239,785 (136)	$562,971
Mortgage Bankers Assoc. of America	$105,758 (134)	$67,100 (92)	$172,858
Citicorp	$140,197 (79)	$100,047 (45)	$240,244
Chase Manhattan Corp.	$39,075 (43)	$19,195 (37)	$58,270
BankAmerica Corp.	$19,933 (40)	$14,120 (25)	$34,053
Chemical New York Corp.	$34,378 (46)	$21,015 (30)	$55,393
J.P. Morgan & Co.	$89,250 (31)	$68,000 (29)	$157,250
Manufacturers Hanover Corp.	$34,015 (33)	$17,850 (27)	$51,865
Security Pacific Corp.	$15,933 (24)	$12,600 (14)	$28,533
Bankers Trust New York Corp.	$60,500 (31)	$32,200 (19)	$92,700
First Interstate Bancorp.	$16,725 (17)	$20,900 (14)	$37,625
First Chicago Corp.	$25,308 (33)	$16,850 (24)	$42,158
Merrill Lynch & Co.	$40,554 (39)	$45,899 (48)	$86,453
American Express Co.	$20,850 (26)	$14,000 (17)	$34,850
First Boston	$103,500 (46)	$54,500 (33)	$158,000
Morgan Stanley	$59,500 (55)	$48,500 (40)	$108,000
Bear Stearns & Co.	$28,300 (13)	$11,700 (8)	$40,000

The numbers represent total contributions reported for the 1987-88 election cycle.

Source: Federal Elections Commission.

St Germain Gains A Big Headstart In Election Funds

By ROB WRIGHT

AS he gears up for his 1988 reelection bid, House Banking Committee Chairman Fernand J. St Germain has already accumulated more than 10 times the campaign funds his leading Republican opponent has — and a sizable share of it comes from sources in the financial industry.

As of March 31, the Rhode Island Democrat had more than $430,000 on hand for his reelection effort. Although Mr. St Germain has not yet officially announced he is a candidate, aide John Heilmann says there is "no doubt" Mr. St Germain will soon do so.

Mr. St Germain's most recent filing with the Federal Election Commission shows he has strong financial backing from political action committees in the housing industry and labor unions, in addition to financial services groups. Among his large receipts were:

- $5,000 — the biggest amount PACs are allowed to give any one candidate for each election — from both the First Boston PAC and the Credit Union Legislative Action Committee.
- $3,000 from the Investment Company Institute PAC.
- $2,500 from the Citicorp Political Fund.
- $2,000 each from the Independent Insurance Agents PAC and the National Association of Life Underwriters PAC. ■

Mr. Wright covers banking for States News Service.